

# Retiree

NEWS July 2005

## Indiana Public Employees' Retirement Fund

### NEW LEGISLATION INCREASES BENEFITS

**T**hese changes in Indiana laws affect PERF retirees. They were passed in 2005 by the Indiana General Assembly and signed into law.

#### COLA & 13th Check

*The cost of living adjustment (COLA) affects benefits payable by PERF after December 31, 2005 in the following ways:*

- Members who retired or became disabled before July 2, 1990, will receive a two percent (2%) increase to the pension portion of their monthly benefit; and,
- Members who retired or became disabled after July 1, 1990, and before January 1, 2005, will receive a one and one-half percent (1.5%) increase.

The COLA increase in your monthly benefit is permanent, but future adjustments are subject to legislative approval.

#### 13th Check

A post-retirement increase in the form of a 13th check will also be paid by PERF on or before December 1, 2005. Any person who was a retired member of the Fund (or a survivor or beneficiary of a retired member of the Fund), and was entitled to receive a monthly benefit on November 1, 2005, will receive the one-time additional payment, which is subject to legislative approval.

#### Re-Employed Retirees Are Able To Earn More

For those retired PERF members who are receiving a benefit and want to return to work, you may now earn up to \$35,000 while continuing to receive your monthly benefit

from PERF. Once you reach the limit, PERF must stop your benefit payments until the following year. *Once you reach the Social Security normal retirement age, there is no earnings limitation.*

#### Minimum Benefit Extended

The legislature extended the minimum pension amount PERF can pay to a retired member. The minimum benefit is \$180 and affects members who are entitled to receive a monthly benefit on December 1, 2004. For example, a member who would normally be entitled to a \$150 pension from PERF, as calculated under state law, would automatically receive an increase to the minimum pension amount of \$180.

#### LAST DIRECT DEPOSIT NOTICE

In response to member preferences and state laws, PERF will no longer mail an Electronic Fund Deposit Notice each month to retirees who have chosen direct deposit. As in the past, that deposit will be made by PERF by the 15th of each month. If you have any questions, please call 1-888-526-1687.

#### ADVANTAGES OF DIRECT DEPOSIT

*Your monthly benefit will be transferred into your bank account on the 15th of each month; you don't have to worry about a lost or stolen check. You can start direct deposit at any time.*



#### HOW TO CHOOSE DIRECT DEPOSIT

*Simply file a direct deposit form with PERF. You can find the form on our website ([www.perf.in.gov](http://www.perf.in.gov)) or call PERF at 1-888-526-1687. Fill it out, sign it, and send it to PERF by mail or fax.*

# PERF'S NEW EXECUTIVE DIRECTOR



**O**n March 8, 2005, I proudly accepted an appointment by Governor Mitch Daniels to become PERF's Executive Director, and moved into public service from a career in the private sector. I have spent much of my time and energy so far determining what our customers expect from us, asking the following questions: what is it we do well, what could we be doing better and what additional services would you like to see from PERF?

In May, we surveyed nearly 20,000 active members, benefit recipients and employers search-

ing for the changes they desire most from PERF. I have already begun to travel across the state to hear, firsthand, what our employers and members think of the Fund and how it can be improved. To keep track of the progress we make, the Governor has asked us to maintain an agency scorecard. It will show where we stand in terms of our goals and allow us to set an ideal for each objective. I will report our progress to the governor on a monthly basis, and it will be a public document to hold us accountable.

The annual audit for fiscal year 2004 was completed with disappointing results. The State Board of Accounts report contained several repeat findings around one central issue—a lack of strong internal controls. PERF needs to make further investments in people, processes and technology to develop a stronger internal control structure. The first steps have already taken place. Charles Johnson was hired as the Chief Financial Officer to focus on internal controls. His 20 year tenure on the State Board of Accounts, eight as the State Examiner, provide thorough knowledge of PERF's challenges. He is working to develop the financial management skills we need on the PERF staff. I also hired Dave Huffman as Chief Technology Officer to confront pressing technology issues. His expertise will help re-engineer key processes to increase the speed and accuracy of information.

Last month, the governor appointed Kendall Cochran, Kathy Ettensohn and Matthew Murphy, III, to the PERF board. In addition, a new law names Charles Schalliol, Director of the OMB, to the board. I am excited by the experience and talent they bring to the Fund.

PERF has undergone many changes in recent years and has struggled to keep pace. New demands for services will inevitably increase. Our transfer of focus from internal processes to customer service will be the hallmark of PERF's future, which I see as very bright.

Sincerely,

David J. Adams  
Executive Director

## PAY ATTENTION TO PERF!



### HOW TO CHANGE YOUR NAME OR ADDRESS:

#### 1. Get a copy of the appropriate form.

Go to [www.perf.in.gov](http://www.perf.in.gov) under  
"Member Forms", OR

Call 1-888-526-1687 to re-  
quest the form from a PERF  
Customer Service  
Representative.

#### 2. Complete the form AND sign it

#### 3. Send it to PERF by fax or mail.

Only you can change this  
information, and your  
signature must accompany  
any request for changes.

## Retiree NEWS

A publication of the Indiana Public Employees' Retirement Fund, a system of six retirement plans designed in partnership with employers and elected officials to provide secure long-term retirement benefits for employees who choose careers in public service. All information in this publication applies solely to the Public Employees' Retirement Fund and not the other retirement plans administered by PERF.

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